

OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of

No. G 04-64

Western United Life Assurance  
Company,  
A Domestic Life Insurer

FINDINGS, CONCLUSIONS, AND

ORDER ADOPTING REPORT

Old Standard Life Insurance Company,  
A Foreign Life Insurer

OF

MARKET CONDUCT EXAMINATION

**BACKGROUND**

An examination of the market conduct of **Western United Life Assurance Company** and **Old Standard Life Insurance Company** (the Companies) as of September 30, 2003, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Companies each hold a Washington Certificate of Authority as a Stock Insurer. They are domiciled in Washington and Idaho, respectively. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to the Companies for comments on May 26, 2004. The Companies' response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Companies.

Subject to the right of the Companies to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

## FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 25 of the report.

## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Western United Life Assurance Company** and **Old Standard Life Insurance Company**, and to order the Companies to take the actions described in the Instructions and Recommendations section of the report. The Commissioner acknowledges that the Companies may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are appropriate responses to the matters arising from RCWs and WACs found in the examination.

## ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 19.

1. The Companies are ordered to provide notification of the initial policy loan interest rate and pertinent policy loan provisions at the time of each policy loan. Reference: RCW 48.23.085 (Instruction 1)
2. WULA is ordered to include the required disclosure statement in its annual policy statements. Reference: RCW 48.23A.070(2) (Instruction 2)
3. The Companies are ordered to consider maintaining copies of claim proceeds checks, surrender transactions, and annual policy statements in each policy file. Reference: RCW 48.05.280 (Recommendation 1)
4. It is ordered that WULA consider confirming the deceased's state of residence and pay interest on claim proceeds on individual life policies when applicable. Reference: RCW 48.23.300 (Recommendation 4)
5. It is ordered that the Companies consider reviewing each statement of proceeds prior to delivery to assure that all amounts due and all deductions taken are listed. Reference: WAC 284-30-330(9) (Recommendation 5)
6. It is ordered that the Companies consider confirming that copies of claim proceeds checks are maintained in its paper files according to the Companies' procedures. Reference: WAC 284-30-340 (Recommendation 6)
7. It is ordered that the Companies consider providing claim forms and instructions to the policy beneficiary within ten (10) working days. Reference: WAC 284-30-360(4)

(Recommendation 7)

IT IS FURTHER ORDERED THAT, the Companies file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Tumwater, Washington, this 25<sup>th</sup> day of August, 2004.

A handwritten signature in black ink, appearing to read "Mike Kreidler", is written over a faint, circular official stamp.

MIKE KREIDLER  
Insurance Commissioner